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Sent: Thursday, December 11, 2014 4:54 PM
To: Kakade, Seema; Rockler, Elliot (ENRD)
Cc: Schworer, Philip J.; Anthony.Jones@essroc.com
Subject: Essroc / SNCR install project proposal / Request

Seema and Elliot,

During our conference call on December 8th, Anthony and I confirmed that Essroc would submit a design plan to EPA and IDEM for review and approval prior to Essroc making any final commitment on purchasing the SNCR equipment. We also updated you on the status of the vendor's (Lechler) proposal. Lechler's proposal will be completed after they make on-site measurements at the kiln during the next outage, scheduled for first quarter 2015.

The next step will be for Lechler to prepare a final proposal that will be along the lines of

the Design Report that is called-for by the Consent Decree. In relevant part, the SNCR will be designed to deliver the proposed reagent to the system at the rate of at least 1.2 mols of reagent to 1.0 mols of NO_x (1.2:1 molar ratio). The system shall be designed to inject Ammonia into the rotary kiln. Essroc will specify in the Design Report the reagent(s) selected, the locations selected for reagent injection, and other design parameters based on maximum emission reduction effectiveness, good engineering judgment, vendor standards, available data, kiln operability, and regulatory restrictions on reagent storage and use. We can finalize the components of the Design Report in the amended Consent Decree, but we wanted to give you this more detailed information now to keep the ball rolling on our discussions.

The purchase order for the equipment will be placed with the vendor following EPA and IDEM's approval of the Design Plan. The SNCR construction and operation schedule will be finalized after issuance of the purchase order. Scheduling of the installation will need to be coordinated with kiln production. Lechler advises that it will require two kiln outages for installation. Recall that the SNCR will be mid-kiln injection of Ammonia for the Logansport kilns. Upon completion of the installation schedule, Essroc will commit to the rest of the schedule, such as: operation, shakedown, and optimization. Again, we can finalize the details of the schedule in the amended Consent Decree, but we wanted to give you this more detailed information now to keep the ball rolling on our discussions.

As we requested during the conference call, please confirm back to us that the San Juan stipulated penalty demand is held in abeyance as we complete the current negotiations for the amended Consent Decree.

Thank you. Phil.

Philip J. Schworer

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